

Part 4

Higher education finances

Costs

What is the cost of instruction?

The “costs” are what institutions spend to provide education and related educational services to students. The “cost of instruction per student” is the sum of direct and indirect costs of an institution related to instruction on a per-student basis.

Public institutions have two primary sources of revenue to pay for the cost of instruction: tuition and state support. The public institutions locally retain operating fees, which represent the majority of student tuition. State support for instruction is provided through appropriations to all public institutions. Tuition and state support comprise the total cost to the institution of providing an education.

The table on the next page shows how much of the cost of undergraduate instruction per FTE is paid by student operating fees (tuition) and how much is paid from state appropriations to institutions.

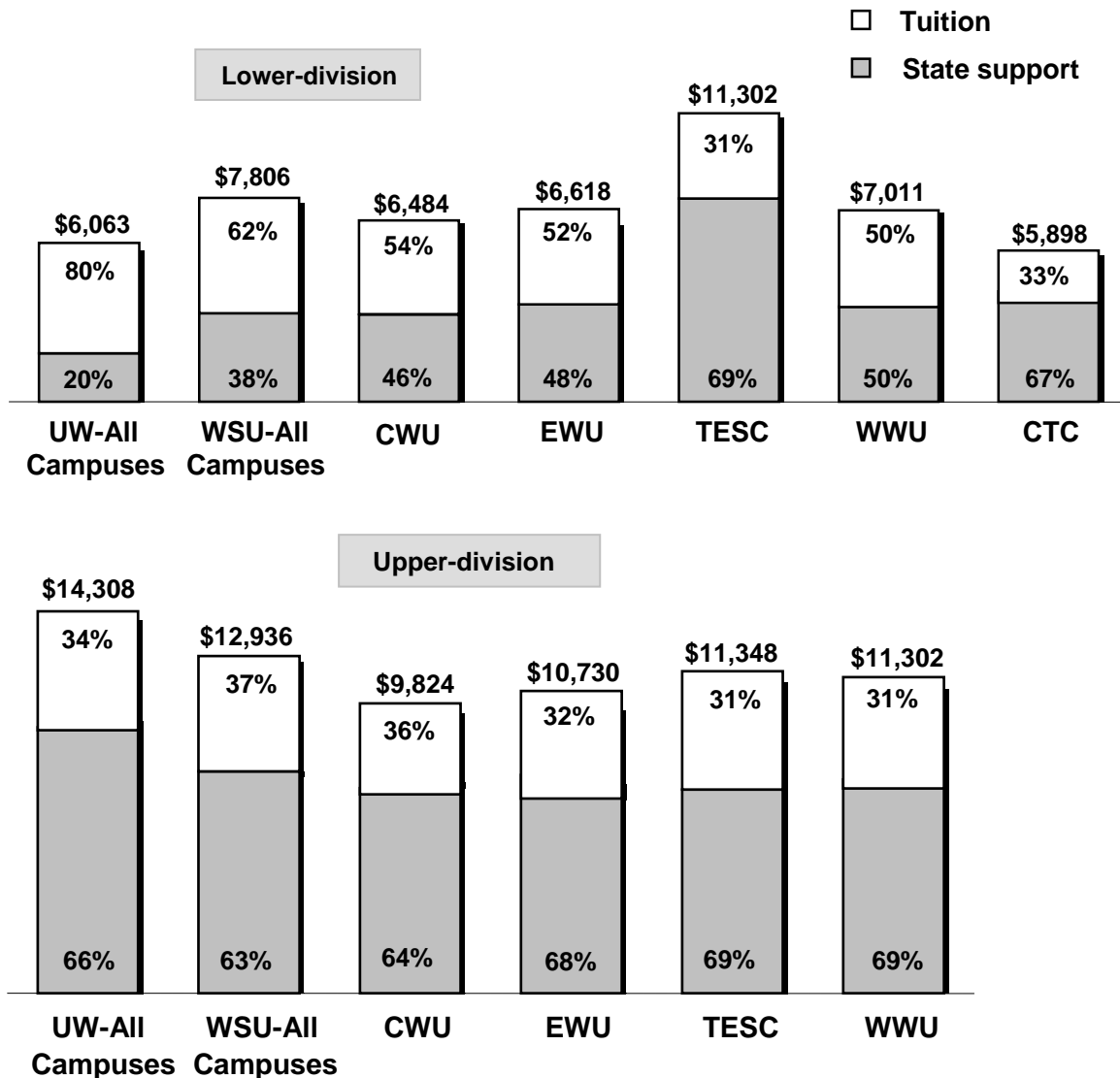
- Lower-division (freshman and sophomore) courses are generally less costly than upper-division (junior and senior) courses.
- Lower-division students generally pay a greater share of their instructional costs than do upper-division students – except at The Evergreen State College.
- The cost of instruction for lower-division students is slightly lower at the community and technical colleges.
- The cost of instruction for upper-division students is lowest at the comprehensive institutions.

Costs

The total cost of instruction for lower-division (freshman and sophomore) courses is less at the community and technical colleges compared to four-year institutions.

The cost of instruction for upper-division (junior and senior) courses is lower at the comprehensive institutions than at the research universities.

Cost of instruction: 2005-06 academic year



Source: Higher Education Coordinating Board.

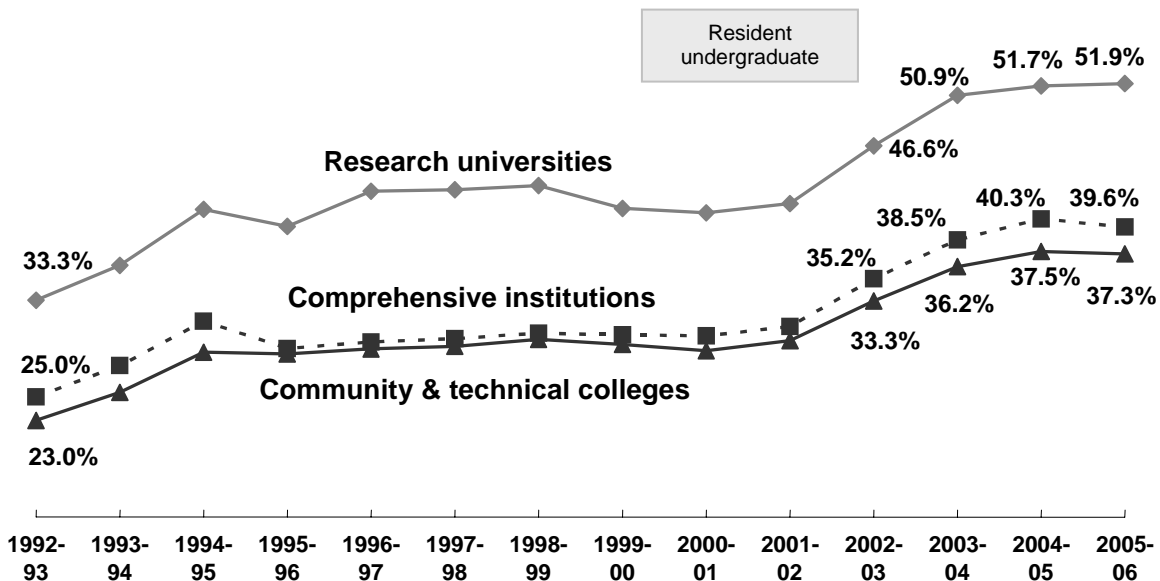
Note: Tuition reflects operating fee only; does not include building fee, services and activities fee, or other fees.

Costs

Trends in cost of instruction

Tuition paid by resident undergraduate students covers nearly 52 percent of undergraduate instructional costs at the research institutions, about 40 percent at the comprehensive institutions, and nearly 37 percent at the community and technical colleges. Prior to 1995, tuition at the public colleges and universities was based on a percentage of the cost of instruction. Since 1995, the Legislature and governor have set (or capped) tuition in the state operating budget. Since 1999, the Legislature and governor have allowed colleges' and universities' boards of trustees and the State Board for Community and Technical Colleges to set tuition within limits established in the budget.

Tuition represents a larger share of instruction costs over the last 25 years



	1977-78 to 1980-81	1981-82 to 1992-93	1994- 1995	2001- 2002	2002- 2003	2003- 2004	2004- 2005	2005- 2006
Research universities:								
Resident undergraduate	25.0%	33.3%	41.1%	41.6%	46.6%	50.9%	51.7%	51.9%
Nonresident undergraduate	100.0%	100.0%	122.9%	138.3%	150.2%	161.1%	166.2%	170.6%
Comprehensive institutions:								
Resident undergraduate	*	25.0%	31.5%	31.1%	35.2%	38.5%	40.3%	39.6%
Nonresident undergraduate	*	100.0%	123.0%	120.5%	132.2%	143.1%	148.5%	142.5%
Community/technical colleges:								
Resident undergraduate	*	23.0%	28.8%	29.8%	33.3%	36.2%	37.5%	37.3%
Nonresident undergraduate	*	100.0%	122.7%	127.2%	130.4%	134.2%	131.5%	125.6%

*Resident undergraduate rates at the comprehensive institutions were set at 80 percent of the research universities. Community college resident rates were set at 45 percent of research universities; nonresidents at 50 percent of research.

Source: Higher Education Coordinating Board.

Tuition and fees

What price do students and/or families pay to go to a university or college?

The “price” is what students and their families are charged and what they pay for their education. The total price includes the tuition and other fees paid to the college as well as related expenses, such as payments for books and for room and board.

Sticker price — Sometimes “tuition and fees” are referred to as the sticker price – that is, the charge to enroll at a college/university. And, at public colleges and universities in Washington, the “sticker price” includes charges specified in state statute. These **statutory tuition and fees** include several elements:

- **Operating fees** that are used primarily to fund the instructional activities of the institution.
- **Building fees** that are used for debt service on the institution’s buildings. (Together, the operating fees and building fees are referred to as “tuition.”)
- **Services and activities fees** that support student activities.
- **Technology fees** that are charged at some institutions to support technology enhancements.

In addition, there may also be other fees determined by the college or university, such as laboratory fees for various courses.

Total price of attendance — Total price includes tuition and fees as well as other expenses related to financing a higher education. These additional expenses could include housing (room and board if the student lives on campus), books, transportation, and other miscellaneous expenses.

Net price — For some students, the total price of attendance may be offset through various types of financial assistance. For example, some students, particularly those with low incomes, are eligible for grants. Some students receive scholarships. Net price is what students pay after financial assistance is subtracted from the total price of attendance.

Tuition and fees

Tuition and fees vary by institution and by type of enrollment.

Public institutions – *resident* tuition and fees for full-time students: academic year 2005-06

RESIDENT	TUITION			S & A	TOTAL	Tech. fee	TOTAL
	Operating fee	Building fee	Statutory tuition (operating & building)	Services and Activities (S & A) fee	Tuition plus S & A fees	Tech-nology fee (Optional)	OVERALL TUITION AND FEES
UW - Seattle							
Undergraduate (UG)	4,847	256	5,103	282	5,385	120	5,505
Postbaccalaureate (UG courses)	4,847	256	5,103	282	5,385	120	5,505
Postbaccalaureate (Grad courses)	7,837	413	8,250	282	8,532	120	8,652
Nonmatriculated (UG courses)	4,847	256	5,103	282	5,385	120	5,505
Nonmatriculated (Grad courses)	7,837	413	8,250	282	8,532	120	8,652
Graduate (Tier I)	7,517	233	7,750	282	8,032	120	8,152
Graduate (Tier II)	7,760	240	8,000	282	8,282	120	8,402
Graduate (Tier III)	8,002	248	8,250	282	8,532	120	8,652
Business Master's Program	14,336	444	14,780	282	15,062	120	15,182
Tacoma Business Master's Prog.	11,576	359	11,935	282	12,217	120	12,337
Nursing: Incoming Master's	9,409	291	9,700	282	9,982	120	10,102
Nursing: Continuing Master's	8,060	250	8,310	282	8,592	120	8,712
Bothell Nursing Master's	7,760	240	8,000	282	8,282	120	8,402
Tacoma Nursing Master's	7,760	240	8,000	282	8,282	120	8,402
Pharm D (incoming student)	10,349	321	10,670	282	10,952	120	11,072
Pharm D (2nd year)	10,349	321	10,670	282	10,952	120	11,072
Pharm D (3rd year)	10,349	321	10,670	282	10,952	120	11,072
Pharm D (4th year)	8,351	259	8,610	282	8,892	120	9,012
Law: Master's and Professional	13,871	429	14,300	282	14,582	120	14,702
Medical and Dental Professional	13,254	698	13,952	282	14,234	120	14,354
UW - Bothell							
All charges same as above except S & A fee:				273			
UW - Tacoma							
All charges same as above except S & A fee:				309			
WSU - all campuses							
Undergraduate	4,826	251	5,077	429	5,506		5,506
Graduate	6,106	189	6,295	429	6,724		6,724
Pharm D (class of 2007)	10,322	319	10,641	429	11,070		11,070
Pharm D (class of 2006)	8,341	258	8,599	429	9,028		9,028
Masters of Business Adm. (MBA)	9,112	189	9,301	429	9,730		9,730
Graduate Nursing (continuing)	7,491	232	7,723	429	8,152		8,152
Graduate Nursing (class of 2007)	9,407	292	9,699	429	10,128		10,128
Professional (Veterinary Med.)	12,680	667	13,347	429	13,776		13,776
CWU							
Undergraduate	3,526	149	3,675	469	4,144	75	4,219
Graduate	5,303	134	5,437	469	5,906	75	5,981
EWU							
Undergraduate	3,471	138	3,609	435	4,044	105	4,149
Graduate	5,555	139	5,694	414	6,108	105	6,213
TESC							
Undergraduate	3,529	147	3,676	454	4,130		4,130
Graduate	5,917	152	6,069	454	6,523		6,523
WWU							
Undergraduate	3,528	145	3,673	441	4,114	51	4,165
Graduate	5,063	124	5,187	441	5,628	51	5,679
Community/Technical Colleges							
Undergraduate	1,959	240	2,199	246	2,445	varies	

Source: Higher Education Coordinating Board (as reported by institutions).

Note: Community/technical college data reflect tuition and fees for a student taking 15 credit hours.

Tuition and fees

Nonresident students are charged higher tuition and fees than are residents of Washington.

Public institutions – *nonresident* tuition and fees for full-time students: academic year 2005-06

NONRESIDENT	TUITION			S & A	TOTAL	Tech. fee	TOTAL
	Operating fee	Building fee	Statutory tuition (operating & building)	Services and Activities (S & A) fee	Tuition plus S & A fees	Tech-nology fee (Optional)	OVERALL TUITION AND FEES
UW - Seattle							
Undergraduate (UG)	18,527	873	19,400	282	19,682	120	19,802
Postbaccalaureate (UG courses)	18,527	873	19,400	282	19,682	120	19,802
Postbaccalaureate (Grad courses)	18,431	869	19,300	282	19,582	120	19,702
Nonmatriculated (UG courses)	18,527	873	19,400	282	19,682	120	19,802
Nonmatriculated (Grad courses)	18,431	869	19,300	282	19,582	120	19,702
Graduate (Tier I)	18,142	658	18,800	282	19,082	120	19,202
Graduate (Tier II)	18,383	667	19,050	282	19,332	120	19,452
Graduate (Tier III)	18,624	676	19,300	282	19,582	120	19,702
Business Master's Program	23,851	866	24,717	282	24,999	120	25,119
Tacoma Business Master's Prog.	20,940	760	21,700	282	21,982	120	22,102
Nursing: Incoming Master's	18,528	672	19,200	282	19,482	120	19,602
Nursing: Continuing Master's	16,974	616	17,590	282	17,872	120	17,992
Bothell Nursing Master's	18,383	667	19,050	282	19,332	120	19,452
Tacoma Nursing Master's	18,383	667	19,050	282	19,332	120	19,452
Pharm D (incoming student)	20,380	740	21,120	282	21,402	120	21,522
Pharm D (2nd year)	20,380	740	21,120	282	21,402	120	21,522
Pharm D (3rd year)	20,380	740	21,120	282	21,402	120	21,522
Pharm D (4th year)	18,441	669	19,110	282	19,392	120	19,512
Law: Master's and Professional	20,486	744	21,230	282	21,512	120	21,632
Medical and Dental Professional	32,776	1,014	33,790	282	34,072	120	34,192
UW - Bothell							
All charges same as above except S & A fee:				273			
UW - Tacoma							
All charges same as above except S & A fee:				309			
WSU - all campuses							
Undergraduate	13,452	633	14,085	429	14,514		14,514
UG: Distance Degree Program	7,239	378	7,617	429	8,046		8,046
Graduate	15,391	558	15,949	429	16,378		16,378
Grad: Distance Degree Program	9,159	284	9,443	429	9,872		9,872
Pharm D (class of 2007)	20,300	737	21,037	429	21,466		21,466
Pharm D (class of 2006)	17,940	651	18,591	429	19,020		19,020
Masters of Business Adm. (MBA)	18,343	558	18,901	429	19,330		19,330
Graduate Nursing (continuing)	16,973	616	17,589	429	18,018		18,018
Graduate Nursing (class of 2007)	18,527	672	19,199	429	19,628		19,628
Professional (Veterinary Med.)	32,567	1,008	33,575	429	34,004		34,004
CWU							
Undergraduate	11,532	476	12,008	469	12,477	75	12,552
Graduate	11,998	494	12,492	469	12,961	75	13,036
EWU							
Undergraduate	12,378	510	12,888	429	13,317	105	13,422
Graduate	16,193	499	16,692	408	17,100	105	17,205
TESC							
Undergraduate	13,520	563	14,083	454	14,537		14,537
Graduate	18,921	585	19,506	454	19,960		19,960
WWU							
Undergraduate	13,081	542	13,623	441	14,064	51	14,115
Graduate	15,264	472	15,736	441	16,177	51	16,228
Community/Technical Colleges							
Undergraduate	6,778	629	7,407	246	7,653	varies	

Source: Higher Education Coordinating Board (as reported by institutions).

Note: Community/technical college data reflect tuition and fees for a student taking 15 credit hours.

Tuition and fees

What are the trends in tuition?

In the 2001-03 budget act, the Legislature granted the governing boards of each public institution and the State Board for Community and Technical Colleges authority to increase statutory tuition rates (operating and building fees) with caps. For undergraduate and most graduate students, the maximum increase authorized for academic year 2001-02 was 6.7 percent. Law and graduate business programs were allowed to increase statutory tuition 12 percent per year, except for the graduate business program at the University of Washington, which could increase tuition by 15 percent in 2001-02.

The tuition increase for 2002-03 authorized in the 2001-03 budget was revised in the 2002 supplemental budget to authorize governing boards and the State Board for Community and Technical Colleges to increase undergraduate tuition up to 16 percent for research institutions, 14 percent for comprehensive institutions and 12 percent for community and technical colleges.

The 2003-05 budget authorized all public institutions to increase tuition for resident undergraduate students by 7 percent in each of the two years. In each year of the 2005-07 budget, all public institutions were authorized to increase resident undergraduate tuition – by 7 percent at the research institutions, 6 percent at the comprehensive institutions, and 5 percent at the community and technical colleges. Since 2002-03, each four-year institution and the SBCTC have determined tuition for nonresident and graduate students.

Statutory tuition (operating and building fees only) for undergraduate residents and nonresidents

		<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>
UW	Resident	\$ 3,593	\$ 4,167	\$ 4,458	\$ 4,770	\$ 5,103
	Nonresident	12,868	14,868	15,611	17,400	19,400
WSU	Resident	3,574	4,145	4,435	4,745	5,077
	Nonresident	10,955	11,940	12,537	13,163	14,085
CWU	Resident	2,658	3,027	3,240	3,466	3,675
	Nonresident	10,395	11,016	11,016	11,016	12,007
EWU	Resident	2,613	2,976	3,183	3,405	3,609
	Nonresident	9,879	11,259	12,045	12,888	12,888
TESC	Resident	2,657	3,029	3,240	3,468	3,676
	Nonresident	10,397	11,853	12,921	14,083	14,083
WWU	Resident	2,655	3,027	3,238	3,465	3,673
	Nonresident	10,398	11,226	12,012	12,852	13,623
CTCs	Resident	1,568	1,784	1,927	2,081	2,119
	Nonresident	6,686	6,992	7,135	7,289	7,407

Source: Higher Education Coordinating Board (as reported by institutions).

Tuition and fees

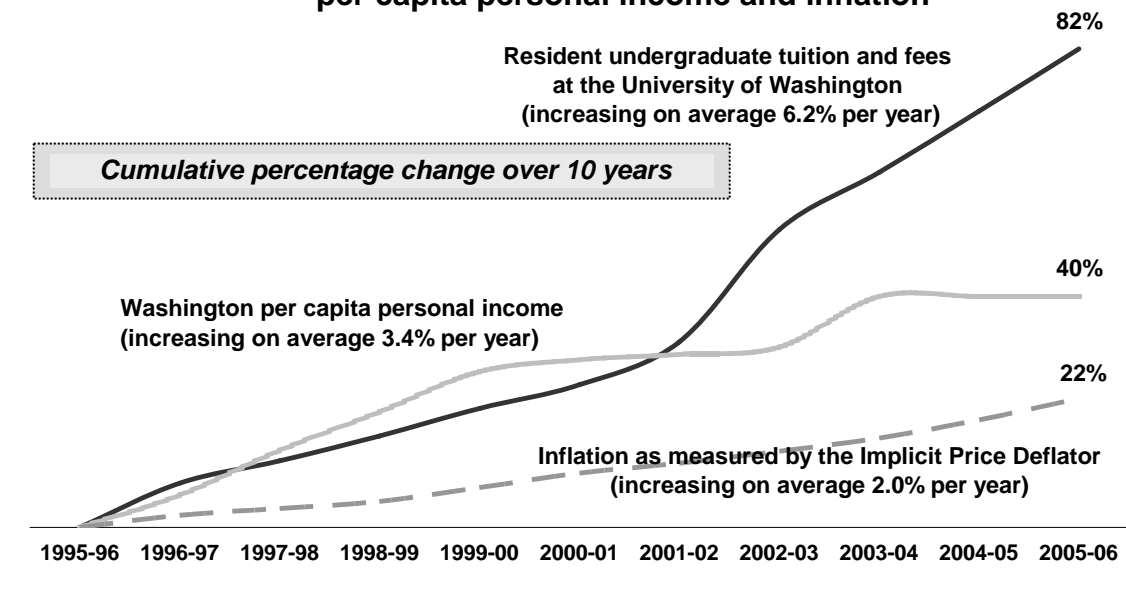
What have been the trends compared to other expenses?

Over the past 10 years, tuition and fees have increased 82 percent at the University of Washington.

During the same time, the cost of most consumer goods increased an average of 22 percent.

Per capita personal income in Washington increased 40 percent during this period.

Increases in Washington's public tuition and fees have outpaced per capita personal income and inflation



Change in tuition and fees, other expenses, inflation and income: 1995-96 to 2005-06

	1995-96	2005-06	Change
Tuition and fees (resident undergraduate)			
Public research – University of Washington	\$ 3,021	\$ 5,505	82%
Public comprehensive institutions (average)	2,342	4,108	75%
Community colleges	1,350	2,445	81%
Independent – lowest	5,040	7,680	52%
Independent – weighted average	13,733	22,456	64%
Independent – highest	17,805	28,640	61%
Other expenses			
Room and board/books/transportation/miscellaneous	7,734	10,524	36%
Inflation			
Inflation (Implicit Price Deflator) – Base year 1995-96 = 100	100%	122%	22%
Income			
Washington per capita personal income	\$25,073	\$35,017*	40%

*2004 data (latest available).

Sources: Higher Education Coordinating Board (tuition and fees); Office of the Forecast Council (2004 per capita personal income); and U.S. Department of Commerce, Bureau of Economic Analyses (IPD data).

Tuition and fees

**How do
Washington
tuition and fees
compare to other
states?**

Washington resident undergraduate students pay less than the national average for tuition and fees.

National comparison of resident undergraduate tuition and fees: 2005-06 academic year

	<u>University of Washington</u>	<u>Washington State University</u>	<u>Comprehensive institutions</u>	<u>Community and technical colleges</u>
Resident undergraduate tuition and fees	\$5,505	\$5,506	\$4,178	\$2,445
National comparison				
National average	\$6,172	\$6,172	\$4,862	\$2,481
Dollar difference	(\$667)	(\$666)	(\$684)	(\$36)
Percentage difference	(10.8%)	(10.8%)	(14.1%)	(1.4%)
Washington rank	26 th	N/A	32 nd	23 rd

Source: Higher Education Coordinating Board survey.

Tuition and fees

**How do
Washington
tuition and fees
compare to peer
institutions?**

Washington resident undergraduate students at public colleges and universities pay lower tuition and fees than students attending peer institutions.

Peer institution comparison of resident undergraduate tuition and fees: 2005-06 academic year

	<u>University of Washington</u>	<u>Washington State University</u>	<u>Comprehensive institutions</u>	<u>Community and technical colleges</u>
Resident undergraduate tuition and fees	\$5,505	\$5,506	\$4,178	\$2,445
Peer institution comparison				
Peer average	\$7,159	\$6,427	\$4,862	\$2,481
Dollar difference	(\$1,654)	(\$921)	(\$684)	(\$36)
Percentage difference	(23.1%)	(14.3%)	(14.1%)	(1.4%)
Peer rank	19 th of 25	13 th of 23	32 nd of 46	23 rd of 49

Source: Higher Education Coordinating Board survey.

Peers:

UW – The comparison group for the University of Washington is all public institutions classified as research universities (category 1) with medical schools.

WSU – The comparison group for Washington State University is all public land grant universities classified as research universities (categories 1 and 2) with veterinary schools.

Comprehensives – The comparison group for Central, Eastern, and Western Washington Universities is all public institutions classified as comprehensive colleges and universities (category 1).

Community and technical colleges – The comparison group for the Washington community and technical college system is all state community college systems.

Tuition and fees

How do Washington tuition and fees compare to institutions in other western states?

Washington resident undergraduate students at public universities and colleges:

- Pay the second-highest tuition and fees among students attending flagship universities in the western states.
- Pay the sixth-highest tuition and fees among students attending comprehensive universities in the western states.
- Pay 16 percent higher-than-average tuition and fees at community colleges in the western states.

Western states comparison of resident undergraduate tuition and fees: 2005-06 academic year

	<u>University of Washington</u>	<u>Washington State University</u>	<u>Comprehensive institutions</u>	<u>Community and technical colleges</u>
Resident undergraduate tuition and fees	\$5,505	\$5,506	\$4,178	\$2,445

WICHE states (15 western states) comparison

WICHE average	\$4,664	\$4,664	\$3,892	\$2,102
Dollar difference	\$841	\$842	\$286	\$343
Percentage difference	18.0%	18.1%	7.3%	16.3%
Washington rank	2 nd	N/A	6 th	5 th

Source: Higher Education Coordinating Board survey.

The Western Interstate Commission for Higher Education (WICHE) member states are: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, and Wyoming.

Tuition and fees

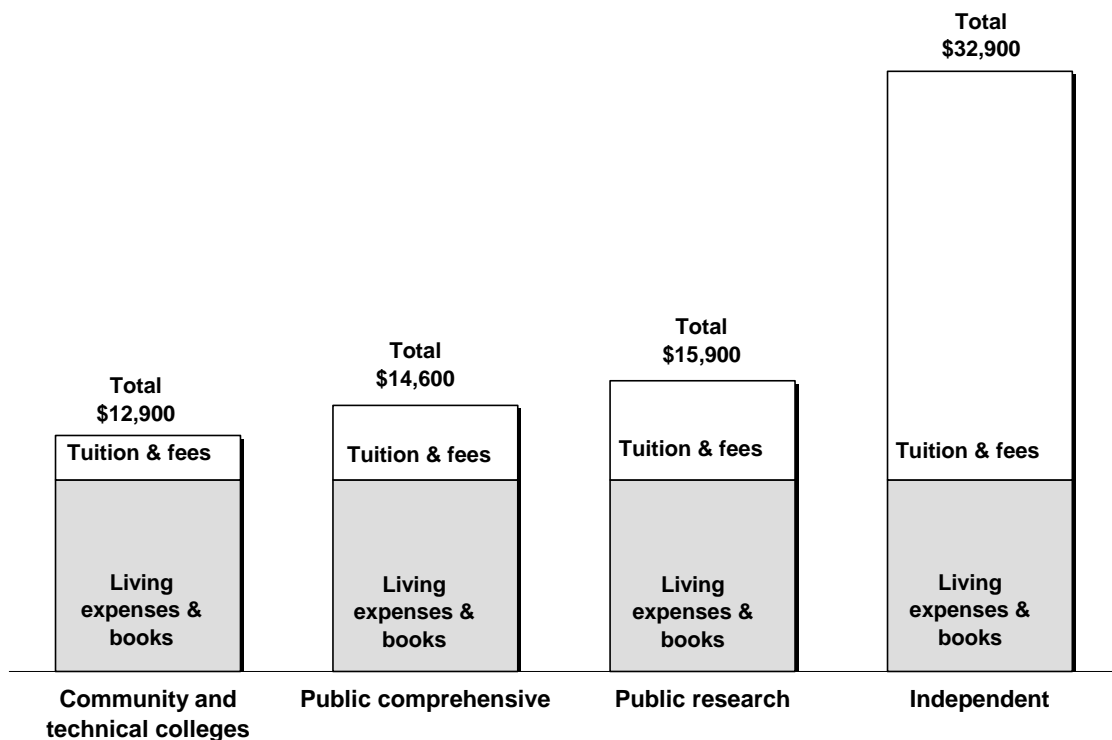
What total price do students pay to attend college?

The student price to attend college is a function of both tuition and living expenses as well as the type of institution selected.

As the chart shows, tuition drives most of the difference in price among institutions. Students selecting public institutions pay a tuition that represents only a portion of the whole cost of delivering instruction. Operating without direct state support, independent institutions charge a tuition that more closely approximates the full cost of instruction.

Living expenses include items like books and supplies, room and board, and transportation. Most students experience these living costs regardless of the type of institution they attend.

Typical living expenses and books are similar among the institutions, but tuition varies significantly



Sources: Washington Financial Aid Administrators, Student Budgets 2005-06, and Higher Education Coordinating Board.

Note: "Tuition and fees" reflect resident undergraduate charges at public institutions.

State operating budget

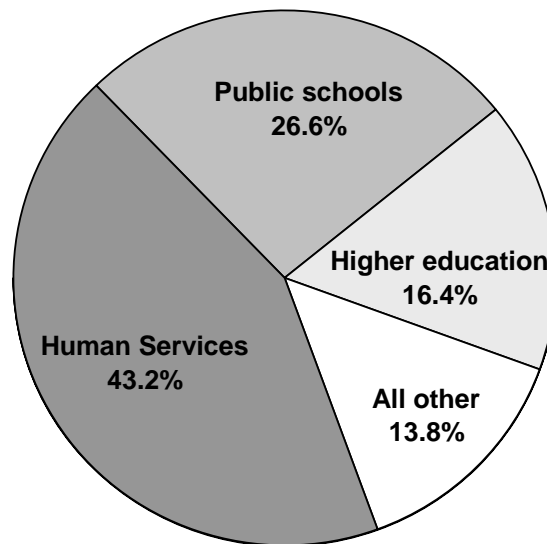
How much of the total operating budget is earmarked for higher education?

The state's \$49.4 billion operating budget includes more than just the general fund. Examples of other significant funds include federal funds, the Health Services Account, the Public Safety and Education Account, and transportation funds.

At \$8.1 billion, higher education makes up more than 16 percent of all funds in the state's operating budget.

The \$8.1 billion in higher education funding comes from a variety of sources, including the state's general fund, the Education Legacy Trust Account, tuition (operating fees), higher education grants and contracts, dedicated local revenues, and the University of Washington hospital.

State operating budget 2005-07 biennium
Total: \$49.4 billion



Source: Legislative Evaluation and Accountability Program Committee, Legislative Budget Notes: 2005-07 Biennium – 2005 Supplemental, June 2005.

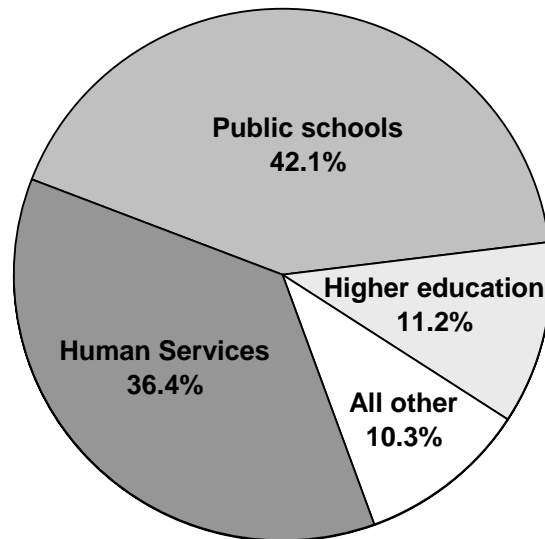
State operating budget

General fund

The state's general fund is comprised of revenues principally received from the state's sales tax, Business and Occupation (B & O) tax, property tax, and many other excise taxes.

The state general fund equals \$26.0 billion in the current biennium. Higher education makes up 11.2 percent of the total, equaling \$2.9 billion.

State general fund 2005-07 biennium
Total: \$26.0 billion



Source: Legislative Evaluation and Accountability Program Committee, *Legislative Budget*
Notes: 2005-07 Biennium – 2005 Supplemental, June 2005.

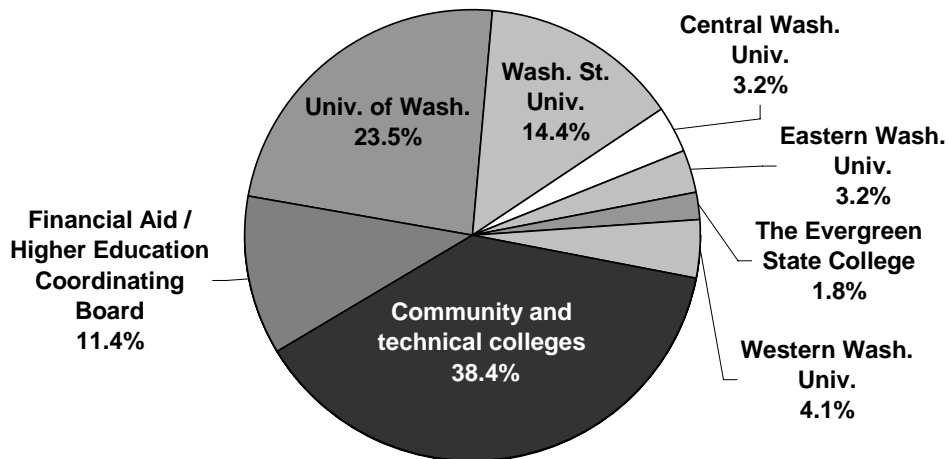
State operating budget

General fund

Of the \$2.9 billion appropriated to higher education in 2005-07, the community and technical colleges received 38.4 percent (\$1.1 billion); the University of Washington received 23.5 percent (\$681 million); and Washington State University received 14.4 percent (\$418 million).

Student financial aid comprises another significant share of the higher education budget. The Higher Education Coordinating Board received 11.4 percent (\$329 million); 93 percent (\$307 million) of that amount was targeted for financial aid.

**State general fund 2005-07 biennium:
Distribution of \$2.9 billion for higher education**



**Higher education 2005-07 operating budget
state general fund
(dollars in millions)**

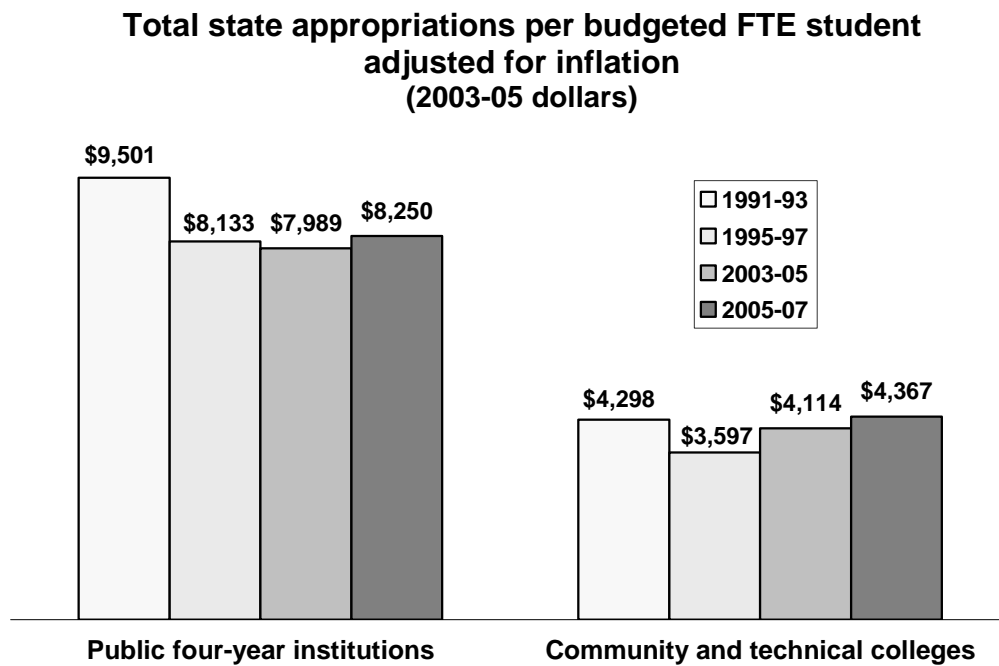
Community and technical colleges	\$1,113
University of Washington	681
Washington State University	418
Financial Aid/Higher Education Coordinating Board	329
Western Washington University	119
Eastern Washington University	93
Central Washington University	92
The Evergreen State College	52
Total	\$2,897

Source: Legislative Evaluation and Accountability Program Committee, *Legislative Budget Notes: 2005-07 Biennium – 2005 Supplemental*, June 2005.

State operating budget

What are the trends in state funding?

Between the 1991-93 and 2003-05 biennia, state support for higher education steadily declined. However, in the 2005-07 operating budget, state support per higher education student increased slightly.

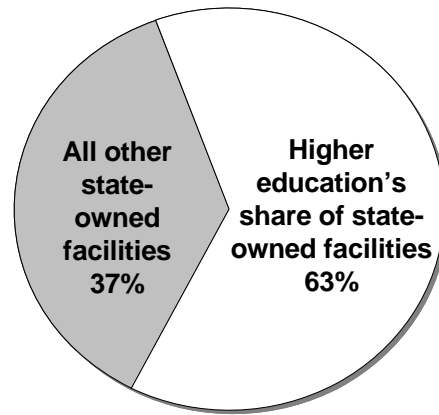


Source: Higher Education Coordinating Board.

Capital budget

What is the state's investment in capital facilities for higher education?

The collective facilities of Washington's public colleges and universities represent a significant share of state government's total physical plant – more than 45 million square feet or nearly two-thirds (63 percent) of all state-owned space.



Higher education facilities are used for two primary purposes:

- To provide instructional programs and academic support services for students; and
- To undertake research and research-related activities.

To support the delivery of quality academic programs in adequate facilities, the universities and colleges rely on state appropriations to:

- Provide a responsible level of building maintenance;
- Repair and renovate facilities as buildings age and program requirements change; and
- Expand capacity to meet increased enrollment.

Capital budget

How are capital funds appropriated?

Funds for major repairs, renovation, and new facilities are appropriated in the capital budget, while funds for building maintenance and operations are in the operating budget.

Since 1991, 73 percent of all higher education capital appropriations have come from borrowing through the sale of general obligation bonds. The remaining 27 percent of all capital appropriations are from local, dedicated sources.

State law limits the amount of state borrowing from the sale of general obligation bonds. The state constitution limits the amount of this type of debt by requiring debt service payments to be no greater than 9 percent of the average of general state revenues for the past three years.

State law further limits the debt service ceiling to 7 percent of the average of general state revenues for the past three years. Washington does not use an allocation formula or model to distribute capital funds among the sectors or individual institutions of public higher education. Rather, the biennial capital budgets reflect choices or decisions about the relative need and priority of specific projects.

By examining the “aggregate” of these discrete decisions over time, trends in state capital budgeting decisions emerge that reflect changing areas of state capital priorities.

Capital budget

What level of capital investments has the state made for higher education?

Total (all funds) biennial capital appropriations to higher education have fluctuated significantly over time.

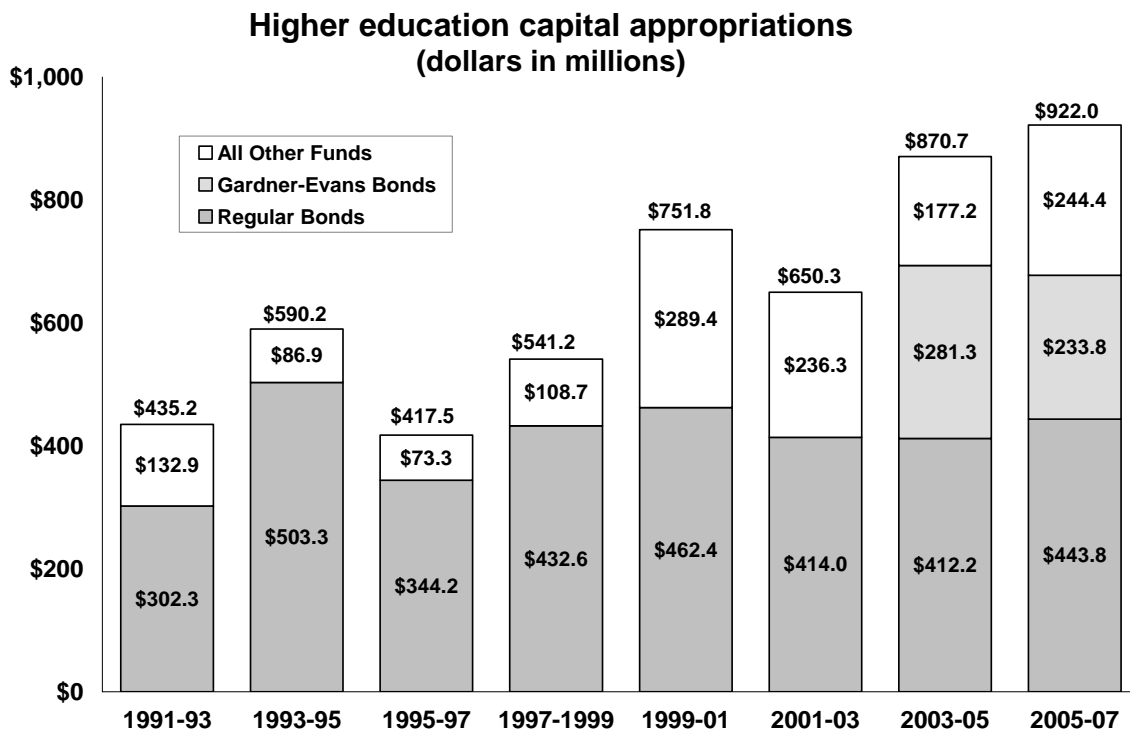
Appropriation amounts have ranged from a low of \$415 million in the 1995-97 biennium to a high of \$922 million in the 2005-07 biennium (unadjusted dollars).

State bond appropriations to higher education remained fairly stable until 2003-05 when, in response to a proposal by former Governors Dan Evans and Booth Gardner, the 2003 Legislature increased the state's debt limit to provide additional capital funds for higher education facilities over six years.

These funds, totaling \$750 million, are earmarked for projects that will modernize and restore existing facilities, as well as provide additional capacity for future enrollment demand.

Since 1991, the state has invested about \$17.6 billion in all state facilities. Nearly half of this total investment (\$8.3 billion) came from borrowing through the sale of general obligation bonds.

Over that same time period, 73 percent (\$3.7 billion) of higher education's capital appropriations (\$5.1 billion) came from these total bond authorizations.



Capital budget

What are the trends in higher education's capital budgets?

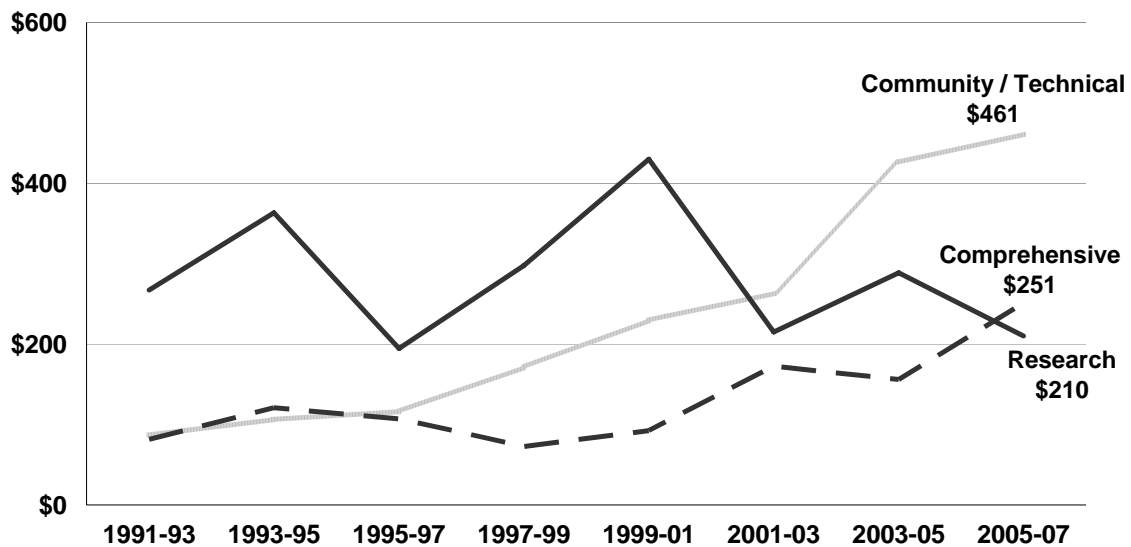
Historically, capital budgets for higher education have been basically stable, accounting for about 30 percent of the total state capital budget.

Three key trends in higher education's capital funding since 1991 have emerged:

- Growth in total appropriation levels
- Stable share of biennial bond authorizations
- Consistent reliance on bonds as a principal source of financing

While total higher education appropriation levels have remained fairly stable, capital funding levels among and within the sectors have varied over time – reflecting different capital priorities and initiatives.

**Capital funding levels have varied by sector
(dollars in millions)**



Sources: Legislative Evaluation and Accountability Program Committee and Legislative Budget Notes.

Capital budget

Historically, what types of capital projects have been funded?

Through the 1993-95 biennium, the state committed a significant portion of higher education's capital spending to modernize science facilities. This priority was most evident at the University of Washington, but was also demonstrated at Central Washington University.

The period between the 1995-97 and 1999-01 biennia reflected the commitment of significant capital to finance the construction phase of the branch campuses of the University of Washington and Washington State University.

During the 2003-05 and 2005-07 biennia, three of the state's comprehensive institutions received construction dollars for new facilities to house additional students or replace obsolete facilities.

In 2003-05, additional funding has been used for renovations as well as added capacity.

A significant priority and commitment for the community and technical colleges is reflected since 1991. A consistent increase in capital investments has been made to replace poorly constructed community and technical college facilities and to provide greater enrollment capacity.

Prioritization of capital projects:

Legislation passed in 2003 also directs the Higher Education Coordinating Board to coordinate development of a single, prioritized list of capital projects requested by four-year institutions. The list is aimed at helping policymakers prioritize funding for projects in all sectors of public higher education.